PDA 76-5871

DD/A
File *Approp Budget*

22 November 1976

MEMORANDUM FOR: Deputy Director for Administration

STATINTL ATTENTION:

FROM:

SUBJECT: Intelligence Community Staff Budget
Formulation

1. The attached schedules, extracted from the IC Staff's
FY 78 budget, are submitted for your information. Our recent OMB
hearings focused on two areas of mutual concern. The first area of
interest involves the duplication of funds budgeted which can be
directly attributed to the support and functioning of the IC Staff as a
separate and distinct entity. The possibility of eventual reduction
to CIA's budget for items falling into this category would not be
welcomed. Therefore, it is in our mutual interest to advise one
another of possible future budgetary problem areas. The data
contained within the attached schedules should represent all areas
where duplication might exist in our respective FY 78 budgets.

2. The second area of concern centers on costs incurred by
the CIA on behalf of the IC Staff for which there is no reimbursement
planned at the present time. We would appreciate having close
communication with you with respect to the differentiation between
direct and indirect costs in this area of non-reimbursable support.

3. Although the detail provided herein pertains to FY 78, I
believe our primary focus should be directed towards budgetary
policies in FY 79 and in future years. In this regard, we solicit your
review of the attached schedules to see if we are in agreement on what

direct operating costs we have budgeted for in comparison with those costs, direct or indirect, which CIA will continue to cover. As a starting point in the continuation of this budget policy dialogue, we would appreciate receiving from you a breakout of ICS support costs by function, for which the DDA will budget, whether definable or not in terms of specific dollar amounts.

4.  Your cooperation and input regarding this matter will be appreciated.

STATINTL

Attachments:
  As stated

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